CHR Solutions
5929 Balcones Drive, Suite 200
Austin, TX 78731-4280
Phone: 512.343.2544
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REDACTED – FOR PUBLIC INSPECTION

VIA ECFS

October 14, 2013

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

RE: Annual Report for Valliant Telephone Company Pursuant to 47 C.F.R. §54.313 and 54.422, WC Docket Nos. 10-90 and 11-42

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§ 54.313 and 54.422 Valliant Telephone Company (the Company), Study Area Code 432032, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS). Section 3005 of the Form 481 requires a privately-held rate of return carrier receiving high cost support to attach financial information pursuant to 47 C.F.R. § 54.313(f)(2). The Company maintains that the financial information is confidential and is submitting through ECFS a redacted document as an attachment for section 3005 of the FCC Form 481 in WC Docket Nos. 10-90 and 11-42.

Valliant Telephone Company, by its authorized representative, hereby submits confidential information pursuant to 47 C.F.R. § 54.313(f)(2), under seal, subject to the Protective Order adopted November 16, 2012 in the above-named dockets.[1] The Company is providing to the Office of the Secretary the original and one copy of the cover letter and confidential information for WC Docket No. 10-90. The confidential information relates only to WC Docket No. 10-90. There is no claim of confidentiality for any information related to WC Docket No. 11-42.

Two copies of this cover letter and confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, in accordance with the Protective Order.

[1] FCC Record DA 12-1857

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as an attachment to the FCC Form 481.

Each page of the confidential submission bears the legend, “CONFIDENTIAL FINANCIAL INFORMATION SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION”

An original and three copies of the redacted confidential information and cover letter are also being filed simultaneously with the non-redacted confidential information, in accordance with the August 6, 2013 Public Notice (DA 13-1707). The original and one copy are provided for WC Docket No. 10-90 and two additional copies are provided for WC Docket No. 11-42. The redacted version of the cover letter for this filing and each page of the filing is marked “REDACTED – FOR PUBLIC INSPECTION.”

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

Deb Morgan

Deb Morgan
Authorized Representative for
Valliant Telephone Company

DM/pjf

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission (2 hardcopies of non-redacted submission)
Mr. Robert Prince, Valliant Telephone Company
Mr. Tommy Dorries, Valliant Telephone Company

FCC Form 481 - Carrier Annual Reporting Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

Line	Item	Entry
<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
<030>	Contact Name: Person USAC should contact with questions about this data	Tommy Dorries
<035>	Contact Telephone Number: Number of the person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address: Email of the person identified in data line <030>	tdorries@valliant.net

ANNUAL REPORTING FOR ALL CARRIERS

(check box when complete)

Line	Item	Entry	Instruction	54.313 Completion Required	54.422 Completion Required
<100>	Service Quality Improvement Reporting		*(complete attached worksheet)*	✓	
<200>	Outage Reporting (voice)		*(complete attached worksheet)*	✓	✓
<210>		✓ <-- check box if no outages to report			
<300>	Unfulfilled Service Requests (voice)	0		✓	
<310>	Detail on Attempts (voice)		*(attach descriptive document)*		
<320>	Unfulfilled Service Requests (broadband)				
<330>	Detail on Attempts (broadband)		*(attach descriptive document)*		
<400>	Number of Complaints per 1,000 customers (voice)			✓	✓
<410>	Fixed	0.0			
<420>	Mobile				
<430>	Number of Complaints per 1,000 customers (broadband)				
<440>	Fixed				
<450>	Mobile				
<500>	Service Quality Standards & Consumer Protection Rules Compliance		*(check to indicate certification)*	✓	✓
<510>		432032ok510	*(attached descriptive document)*	✓	✓
<600>	Functionality in Emergency Situations		*(check to indicate certification)*	✓	✓
<610>		432032ok610	*(attached descriptive document)*	✓	✓
<700>	Company Price Offerings (voice)		*(complete attached worksheet)*		
<710>	Company Price Offerings (broadband)		*(complete attached worksheet)*		
<800>	Operating Companies and Affiliates		*(complete attached worksheet)*	✓	✓
<900>	Tribal Land Offerings (Y/N)?	◉ ○	*(if yes, complete attached worksheet)*	✓	
<1000>	Voice Services Rate Comparability		*(check to indicate certification)*		
<1010>			*(attach descriptive document)*		
<1100>	Terrestrial Backhaul (Y/N)?	◉ ○	*(if not, check to indicate certification)*		
<1110>			*(complete attached worksheet)*		
<1200>	Terms and Condition for Lifeline Customers		*(complete attached worksheet)*		✓

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

Line	Instruction	54.313	54.422
<2000>	*(check to indicate certification)*		
<2005>	*(complete attached worksheet)*		

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

Line	Instruction	54.313	54.422
<3000>	*(check to indicate certification)*	✓	
<3005>	*(complete attached worksheet)*	✓	

(100) Service Quality Improvement Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address - Email Address of person identified in data line <030>	tdorries@valliant.net

<110> Has your company received its ETC certification from the FCC? (yes / no) ○ ◉

<111> If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC? (yes / no) ○ ○

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	☐
<114>	Report how much universal service (USF) support was received	☐
<115>	How (USF) was used to improve service quality	☐
<116>	How (USF)was used to improve service coverage	☐
<117>	How (USF) was used to improve service capacity	☐
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	☐

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(200) Service Outage Reporting (Voice)
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address - Email Address of person identified in data line <030>	tdorries@valliant.net

<220>

<a> NORS Reference Number	<b1> Outage Start Date	<b2> Outage Start Time	<b3> Outage End Date	<b4> Outage End Time	<c1> Number of Customers Affected	<c2> Total Number of Customers	<d> 911 Facilities Affected (Yes / No)	<e> Service Outage Description (Check all that apply)	<f> Did This Outage Affect Multiple Study Areas (Yes / No)	<g> Service Outage Resolution	<h> Preventative Procedures
					-- See attached	worksheet --					

(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address - Email Address of person identified in data line <030>	tdorries@valliant.net

<701>	Residential Local Service Charge Effective Date	1/1/2013
<702>	Single State-wide Residential Local Service Charge	

<703>

<a1> State	<a2> Exchange (ILEC)	<a3> SAC (CETC)	<b1> Rate Type	<b2> Residential Local Service Rate	<b3> State Subscriber Line Charge	<b4> State Universal Service Fee	<b5> Mandatory Extended Area Service Charge	<c> Total per line Rates and Fees
				-- See attached worksheet				
				--				

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(710) Broadband Price Offerings
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address - Email Address of person identified in data line <030>	tdorries@valliant.net

<711>

<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rate and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {*select*}

-- See attached worksheet --

(800) Operating Companies
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address - Email Address of person identified in data line <030>	tdorries@valliant.net

<810>	Reporting Carrier	Valliant Telephone Company
<811>	Holding Company	N/A
<812>	Operating Company	Valliant Telephone Company

<813>

<a1>	<a2>	<a3>
Affiliates	**SAC**	**Doing Business As Company or Brand Designation**

-- See attached worksheet --

(900) Tribal Lands Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address - Email Address of person identified in data line <030>	tdorries@valliant.net

<910> Tribal Land(s) on which ETC Serves — Choctaw Nation of Oklahoma

<920> Tribal Government Engagement Obligation — 432032ok920

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

		Select (Yes,No, NA)
<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions;	NA
<922>	Feasibility and sustainability planning;	NA
<923>	Marketing services in a culturally sensitive manner;	NA
<924>	Compliance with Rights of way processes	NA
<925>	Compliance with Land Use permitting requirements	No
<926>	Compliance with Facilities Siting rules	NA
<927>	Compliance with Environmental Review processes	NA
<928>	Compliance with Cultural Preservation review processes	NA
<929>	Compliance with Tribal Business and Licensing requirements.	NA

(1100) No Terrestrial Backhaul Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address - Email Address of person identified in data line <030>	tdorries@valliant.net

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G) ☐

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(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address - Email Address of person identified in data line <030>	tdorries@valliant.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans — 432032ok1210

Name of attached document (.pdf)

<1220> Link to Public Website HTTP

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☐

<1222> Details on the number of minutes provided as part of the plan, ☐

<1223> Additional charges for toll calls, and rates for each such plan. ☐

(2000) Price Cap Carrier Additional Documentation
Data Collection Form
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
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<035>	Contact Telephone Number - Number of person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address - Email Address of person identified in data line <030>	tdorries@valliant.net

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting
<2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
<2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}
<2012> 2013 Frozen Support Certification
<2013> 2014 Frozen Support Certification
<2014> 2015 Frozen Support Certification
<2015> 2016 and future Frozen Support Certification

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}
<2016> Certification Support Used to Build Broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}
<2017> 3rd year Broadband Service Certification
<2018> 5th year Broadband Service Certification
<2019> Interim Progress Certification
<2020> Please check the box to confirm that the attached PDF , on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
<2021> Interim Progress Community Anchor Institutions — Name of Attached Document Listing Required Information

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(3000) Rate Of Return Carrier Additional Documentation
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address - Email Address of person identified in data line <030>	tdorries@valliant.net

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

(3010) Milestone Certification (47 CFR § 54.313(f)(1)(i)) — Name of Attached Document Listing Required Information ☐
Please check this box to confirm that the attached PDF, on line 3012,

(3011) contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii)) — Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) ☑ (Yes/No)

(3014) If yes, does your company file the RUS annual report ☑ (Yes/No)

Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) ☑

(3016) PDF of Balance Sheet, Income Statement and Statement of Cash Flows ☑

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation — Name of Attached Document Listing Required Information: 432032ok3017

(3018) If the response is no on line 3014, is your company audited? ☐ (Yes/No)

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains :

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications ☐

(3020) PDF of Balance Sheet, Income Statement and Statement of Cash Flows ☐

(3021) Management letter issued by the independent certified public accountant that performed the company's financial audit. ☐

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, ☐

(3023) Underlying information subjected to a review by an independent certified public accountant ☐

(3024) Underlying information subjected to an officer certification. ☐

(3025) PDF of Balance Sheet, Income Statement and Statement of Cash Flows ☐

(3026) Attach the worksheet listing required information — Name of Attached Document Listing Required Information

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Certification - Reporting Carrier **Data Collection Form**	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address - Email Address of person identified in data line <030>	tdorries@valliant.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients

I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.

Name of Reporting Carrier:

Signature of Authorized Officer: Date

Printed name of Authorized Officer:

Title or position of Authorized Officer:

Telephone number of Authorized Officer:

Study Area Code of Reporting Carrier: Filing Due Date for this form:

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013

<010>	Study Area Code	432032
<015>	Study Area Name	VALLIANT TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Tommy Dorries
<035>	Contact Telephone Number - Number of person identified in data line <030>	(580) 933-4400
<039>	Contact Email Address - Email Address of person identified in data line <030>	tdorries@valliant.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier

I certify that (Name of Agent) Tommy Dorries **is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.**

Name of Authorized Agent: Tommy Dorries	
Name of Reporting Carrier: VALLIANT TEL CO	
Signature of Authorized Officer: CERTIFIED ONLINE	Date: 10/14/2013
Printed name of Authorized Officer: Tommy Dorries	
Title or position of Authorized Officer: owner/vice president	
Telephone number of Authorized Officer: 1.580.933.4400	
Study Area Code of Reporting Carrier: 432032	Filing Due Date for this form: 10/15/2013

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier

I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.

Name of Reporting Carrier: VALLIANT TEL CO	
Name of Authorized Agent or Employee of Agent: Deb Morgan	
Signature of Authorized Agent or Employee of Agent: CERTIFIED ONLINE	Date: 10/14/2013
Printed name of Authorized Agent or Employee of Agent: Deb Morgan	
Title or position of Authorized Agent or Employee of Agent Manager - Regulatory Compliance	
Telephone number of Authorized Agent or Employee of Agent: (512) 343-2544	
Study Area Code of Reporting Carrier: 432032	Filing Due Date for this form: 10/15/2013

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Attachments

VTC Valliant Telephone Company

100 East Wilson • Valliant, Oklahoma 74764 • (580) 933-4400

LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

Valliant Telephone Company complies with applicable service quality standards and consumer protection rules as required by the state regulatory commission and the Federal Communications Commission.

The rates, terms, and conditions under which the Company operates are outlined in its Local Exchange Tariff, which is approved by the state commission. The Company's tariff contains provisions regarding its customer service and protection practices, including resolving disputes with the Company, applying for service, the classification of business and residential rates, deposits, billing and payment for service, refusal, disconnection and cancellation of service. The tariff is available for customer review in the Business Office, as requested. Rates and terms of service are disclosed to customers upon application for service both verbally and in writing as part of a packet of information for new customers. Rates, applications and certain terms of service are also available on the Company's website.

Service quality standards are established by the state commission and the Company consistently meets or exceeds the standards and provides reports to the state commission, in accordance with the state commission's rules.

The protection of customers' privacy and information is of utmost importance and the Company has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Company's compliance with CPNI rules and a description of the Company's operating procedures that ensure compliance are filed at the FCC annually. Attached is a copy of the 2012 CPNI Certification and Accompanying Statement.

Valliant Telephone Company

100 East Wilson • Valliant, Oklahoma 74764 • (580) 933-4400

LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS

Valliant Telephone Company certifies that it is able to function in emergency situations as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.202(a)(2)[1]. The Company has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored. The network is capable of managing traffic spikes resulting from emergency situations.

The company is able to reroute traffic around damaged facilities. Although the Company's ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.

[1] Section 54.202(a)(2) requires ETCs that are designated by the Commission to "demonstrate its ability to remain functional in emergency situations including demonstration that it has a reasonable amount of back-up-power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations."

VTC Valliant Telephone Company

100 East Wilson • Valliant, Oklahoma 74764 • (580) 933-4400

LINE 920 – TRIBAL GOVERNMENT ENGAGEMENT OBLIGATION

Valliant Telephone Company (the Company) provides service within the territory of the Choctaw Nation of Oklahoma.[1] On October 26, 2012, the Company sent a letter to the Tribe seeking to request a meeting to discuss any immediate and/or future needs within the tribal areas, but the Tribe has not responded to discuss any special interests or services that may be required. A copy of the letter is attached.

During the reporting period of 2012, the Company has not been contacted by any representative of the Tribal government about the Company's service offerings.

[1] FCC Public Notice, DA12-1165, released July 19, 2012, footnote 2, states, "In the context of the *USF/ICC Transformation Order*, "Tribal lands" is defined as "any federally recognized Indian tribe reservation, pueblo or colony, including former reservations in Oklahoma…"

VTC

Valliant Telephone Company

100 East Wilson • P.O. Box 776 • Valliant, Oklahoma 74764

Phone: (580) 933-4400 • Fax: (580) 933-4222 • Email: telephon@valliant.net

October 26, 2012

Choctaw Nation of Oklahoma
Gregory Pyle, Chief
P O Box 1210
Durant, OK 74702-1210

RE: request for a meeting to discuss the communications needs of you Tribal community.

Dear Mr. Pyle:

On behalf of Valliant Telephone Company, (VTC), we want to make sure that the communications needs of your Tribal members and all institutions operated by your Nation are met. In order to accomplish this I would like to have a meeting with you or others you may designate to discuss the communications needs of your Tribal members and Tribal government institutions. Valliant Telephone Company is an authorized telecommunications provider for some of the Tribal Lands of the Nation. Our company provides a full array of communications services, including broadband services and internet access in McCurtain County. VTC also provides wireless internet in some areas of Pushmataha, Choctaw, and McCurtain Counties.

I would like to discuss, at a minimum, the following areas:

1) The communications needs of Tribal community.
2) Feasibility and planning for your communication needs
3) Marketing of our services to Tribal members
4) Rights of way issues, if any, associated with our provisioning of services to Tribal members and/ or institutions operated by the Nation.
5) Our compliance with Tribal business and licensing requirements, if any
6) Other items you wish to discuss

I would like to schedule a meeting at your earliest convenience. Please contact me at the below phone number or email address so we can select the time and location that best fits your schedule.

Sincerely,

Tommy Dorries
580 933 4400
telephon@valliant.net

VTC Valliant Telephone Company

100 East Wilson • Valliant, Oklahoma 74764 • (580) 933-4400

Line 1210 – Terms & Conditions of Voice Telephony Lifeline Plans

Valliant Telephone Company (the Company) offers Lifeline subscribers federal and state Lifeline discounts to a stand-alone residential local exchange access line rate of $14.00 and Subscriber Line Charge of $6.50. The local exchange access line rate includes an unlimited amount of local calling minutes. Additional charges for toll calls associated with the stand-alone residential access line are billed at the rates of the long distance carrier chosen by the subscriber. There are no additional voice telephony plans offered although a Lifeline customer may subscribe to other services such as custom calling features at the standard rates offered to all customers. Attached are pages from the Company's Local Exchange Tariff describing terms and conditions that explain the Lifeline Credits and Lifeline Credits on Tribal Lands for residential customers.

LOCAL EXCHANGE SERVICE

III. SCHEDULE OF RATES AND CHARGES

A. Residence Monthly Local Exchange Access Line Rates (1)

	1-Party	
All Exchanges	$14.00	CR

(1) Rates for Access Line Service include a charge for Tone Dialing Access CT

Public Utility Division
201300106
Tariff Sheets Approved
per 165:55-5-10(c)

LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

A. Applicability

1. Lifeline Service is a telecommunications service assistance program designed to provide eligible residential customers with a credit to be applied to the price of basic local exchange service.

2. Eligible customers will receive a credit as set forth in Section IV. Lifeline Credits below, to be applied to their basic local exchange access service.

3. Customers shall not receive more than one Lifeline credit regardless of the number of residential access lines or locations the customer receives service within the State of Oklahoma.

4. All charges, either recurring or nonrecurring, for any service or feature other than Lifeline Service shall be billed at the tariffed rate.

5. Lifeline Service shall not be available on a retroactive basis.

B. Designated Services Available to Lifeline Customers (1)

The following services shall be offered to eligible Lifeline customers:

1. Single Party Service
2. Local Usage
3. Touch Tone Services
4. Voice Grade Access to the Public Switched Network
5. Access to Emergency Services
6. Access to Operator Services
7. Access to Interexchange Services
8. Access to Directory Assistance
9. Availability of Toll Restriction at No Charge (2)

C. Eligibility Requirements

1. Customers or applicants seeking a Lifeline service credit must provide documentation to the Company establishing that the customer or applicant meets one or more of the following eligibility requirements prior to receiving the Lifeline service credit.

(1) Lifeline service may not be disconnected for non-payment of toll charges.
(2) Eligible customers accepting toll restriction services shall not be required to pay a deposit.

LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

C. Eligibility Requirements (Continued)

a. The applicant or customer must meet the requirements for eligibility for either Medicaid, Food Stamps, federal public housing, Low-Income Energy Assistance Program, or Supplemental Security Income. Additionally, persons who are eligible recipients of income assistance for Vocational Rehabilitation (including Aid to the Hearing Impaired) are also eligible for the Lifeline Service credit; or

b. Are eligible for or receive assistance or benefits, as certified by the State Department of Rehabilitation services, under programs providing vocational rehabilitation, including aid to the hearing impaired; or

c. Are eligible for or receive assistance or benefits, as certified by the Oklahoma Tax Commission, pursuant, pursuant to the Sales Tax Relief Act, section 5011 et seq. of Title 68 of the Oklahoma Statutes.

d. For federal income tax purposes, the applicant is not a dependant unless over sixty years of age.

2. The eligibility requirements listed above will be certified to by the applicant or the applicable state agency. The Company assumes no responsibility for the certification of customers or applicants eligibility.

3. Upon receipt of the applicant's documentation establishing eligibility as stated above, the Company will begin providing the credit.

4. Lifeline customers are required to provide documentation for the purpose of determining their continuing eligibility for the Lifeline credit, upon request of the Company, no less frequently than annually.

5. The Lifeline service credit will be discontinued for customers who no longer meet the eligibility requirements for the Lifeline Service credit.

VALLIANT TELEPHONE COMPANY
Local Exchange Tariff

SECTION 1
1st Revised Page 8

LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

D. Lifeline Credits

		Monthly Credit (1)
1)	federal subscriber line charge credit	(2)
2)	initial federal credit to residential access line	$1.75
3)	initial state credit to residential access line	$1.17
4)	additional federal credit to residential access line (3)	$0.58

(1) Credit amount will not exceed the total of the subscriber line charge and the residential local exchange rate. In no instance will a subscriber's monthly local exchange rate be less than $2.50 after application of the Lifeline credits.
(2) Lifeline Service has been certified by the FCC, therefore, eligible Lifeline customers will receive the appropriate waiver of the Subscriber Line Charge (SLC) as specified by the FCC.
(3) Half of the amount specified on line 3, not to exceed $1.75.

LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

E. Eligibility Requirements for Lifeline Service On Tribal Lands AT

1. The applicant or customer seeking to obtain Lifeline Service on Tribal Lands (see definition in 2.a. below) must demonstrate their current participation in at least one of the following assistance programs. The Applicant or customer shall complete and sign, under penalty of perjury, an authorization and self certification form provided by the Company. The Applicant or customer must check all of the following that apply.
   a. Supplemental Nutrition Assistance Program ("SNAP" f/k/a Food Stamps)
   b. Temporary Assistance for Needy Families (TANF)
   c. Supplemental Security Income (SSI)
   d. Medical Assistance (Medicaid/Soonercare) AT
   e. Vocational Rehabilitation (including aid to the hearing impaired)
   f. Oklahoma Sales Tax Relief
   g. Federal Public Housing Assistance
   h. Low Income Home Energy Assistance Program
   i. Food Distribution Program on Indian Reservations ("FDPIR") AT
   j. 135% of the Federal Poverty Guidelines AT
   k. Bureau of Indian Affairs general assistance; (1)
   l. Temporary Assistance for Needy Families (TANF) tribally-administered block grant programs; (2)
   m. Head Start Programs (only applicant or customer who satisfy the income qualifying eligibility provision); or
   n. National School Lunch Program (only applicant or customer who satisfy the income standard of the program for free meals).

2. The applicant or customer must also certify:
   a. Residence on Tribal Lands as described in Title 25, Code of Federal Regulations, Section 20.1, paragraph (v).
   b. Agreement to notify Company if applicant or customer no longer participates in the program or programs described in paragraph 1. above, for which the Applicant or Customer certified their participation in.
   c. The applicant must not be a dependent for Federal Income Tax purposes, unless the applicant is over the age of 60.

3. Upon receipt of the completed self certification, Company will begin providing the credit set forth in F. below. Lifeline credits will not be implemented or continued unless telephone service arrangements are and remain, within the Lifeline Service criteria specified above.

(1) Applicant must "have sufficient resources to meet the basic and special needs defined by the Bureau Standard of assistance," 25 C.F.R. § 20.21.

(2) 42 U.S.C. § 612 and 45 C.F.R. § 286.

VALLIANT TELEPHONE COMPANY
Local Exchange Tariff

SECTION 1
3rd Revised Page 10

LOCAL EXCHANGE SERVICE

IV. LIFELINE SERVICE

E. Eligibility Requirements for Lifeline Service On Tribal Lands (Continued) AT

4. The Lifeline credits will be discontinued upon receipt by the Company of notice by the Customer that they no longer meet the eligibility requirements for the Lifeline credits.
5. The Lifeline credits will be automatically discontinued unless the customer annually certifies they continue to meet the eligibility requirements for Lifeline credits. All such annual re-self certifications must be submitted to the Company within the time frames determined by the Company.
6. Lifeline customers will be converted to standard residential service rates once they no longer qualify for Lifeline Service. No service charge will apply for this change in service.

F. Lifeline Credits on Tribal Lands DT

Lifeline Service on Tribal Lands has been established by the Federal Communications Commission (FCC), therefore eligible Lifeline customers will receive the appropriate credits, depending on the programs the customer participates in, as specified by the FCC in its Twelfth Report and Order entered into in CC Docket No. 96-45 and as set forth below:

1. If a customer indicates eligibility to receive Lifeline credits as, Supplemental Nutrition Assistance Program ("SNAP" f/k/a Food Stamps), Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Medical Assistance, Vocational Rehabilitation (including aid to the hearing impaired), Food Distribution Program on Indian Reservations ("FDPIR") or Oklahoma Sales Tax Relief Act (68 O.S.§5011, et seq.), then the Customer should receive credits as follows: A-T

	Monthly Credit(1)	
Federal Lifeline Credit:	$9.25	CR
Oklahoma Universal Service Fund Credit:	$1.17	CR
Additional Federal Credit to Residential Access Line necessary to reduce customer's bill to $1.00	(See footnote (2) below)	

DT

(1) Credit amount will not exceed the total of the subscriber line charge and the residential local exchange rate, less $1.00. In no instance will a subscriber's monthly local exchange rate be less than $1.00 after the application of the Lifeline Credits.
(2) Eligible customers will also receive an additional reduction off the applicable monthly tariff rate for their local exchange service, not to exceed $25.00 as specified by the FCC in its Twelfth Report and Order entered in CC Docket No. 96-45.

Public Utility Division
201200203
Competitive Service Filing

USDA-RUS	*This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.*	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER NAME Valliant Telephone Company	
INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2012	BORROWER DESIGNATION OK0554

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Robert Prince — 3-29-13

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			**CURRENT LIABILITIES**		
1. Cash and Equivalents	[redacted]	[redacted]	25. Accounts Payable	[redacted]	[redacted]
2. Cash-RUS Construction Fund	[redacted]	[redacted]	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	[redacted]	[redacted]
a. Telecom, Accounts Receivable			28. Customer Deposits	[redacted]	[redacted]
b. Other Accounts Receivable			29. Current Mat. L/T Debt	[redacted]	[redacted]
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	[redacted]	[redacted]	32. Income Taxes Accrued		
b. Other Accounts Receivable	[redacted]	[redacted]	33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities	[redacted]	[redacted]
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	[redacted]	[redacted]
6. Material-Regulated	[redacted]	[redacted]	**LONG-TERM DEBT**		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	[redacted]	[redacted]
8. Prepayments	[redacted]	[redacted]	37. Funded Debt-RTB Notes	[redacted]	[redacted]
9. Other Current Assets	[redacted]	[redacted]	38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	[redacted]	[redacted]	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development	[redacted]	[redacted]	43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)	[redacted]	[redacted]
13. Nonregulated Investments	[redacted]	[redacted]	**OTHER LIAB. & DEF. CREDITS**		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges	[redacted]	[redacted]	48. Other Deferred Credits	[redacted]	[redacted]
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	[redacted]	[redacted]	50. Total Other Liabilities and Deferred Credits (47 thru 49)	[redacted]	[redacted]
PLANT, PROPERTY, AND EQUIPMENT			**EQUITY**		
18. Telecom, Plant-in-Service	[redacted]	[redacted]	51. Cap. Stock Outstand. & Subscribed	[redacted]	[redacted]
19. Property Held for Future Use			52. Additional Paid-in-Capital	[redacted]	[redacted]
20. Plant Under Construction	[redacted]		53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	[redacted]	[redacted]	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	[redacted]	[redacted]	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)	[redacted]	[redacted]	57. Retained Earnings or Margins	[redacted]	[redacted]
			58. Total Equity (51 thru 57)	[redacted]	[redacted]
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	[redacted]	[redacted]

Total Equity = 45.27% % of Total Assets

USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER NAME
Valliant Telephone Company

TRUCTIONS-Submit report to RUS within 30 days after close of the period. detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING	BORROWER DESIGNATION
December, 2012	OK0554

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII
(Check one of the following)

☐ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Repor

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
RRENT ASSETS	[redacted]	[redacted]
Cash and Equivalents	[redacted]	[redacted]
Cash-RUS Construction Fund	[redacted]	[redacted]
Affiliates:		
a. Telecom, Accounts Receivable		
b. Other Accounts Receivable		
c. Notes Receivable		
Non-Affiliates:		
a. Telecom, Accounts Receivable	[redacted]	[redacted]
b. Other Accounts Receivable	[redacted]	[redacted]
c. Notes Receivable		
Interest and Dividends Receivable		
Material-Regulated	[redacted]	[redacted]
Material-Nonregulated		
Prepayments	[redacted]	[redacted]
Other Current Assets	[redacted]	[redacted]
Total Current Assets (1 Thru 9)	[redacted]	[redacted]
NCURRENT ASSETS		
Investment in Affiliated Companies		
a. Rural Development		
b. Nonrural Development	[redacted]	[redacted]
Other Investments		
a. Rural Development		
b. Nonrural Development		
Nonregulated Investments	[redacted]	[redacted]
Other Noncurrent Assets		
Deferred Charges	[redacted]	[redacted]
Jurisdictional Differences		
Total Noncurrent Assets (11 thru 16)	[redacted]	[redacted]
ANT, PROPERTY, AND EQUIPMENT	[redacted]	[redacted]
Telecom, Plant-in-Service	[redacted]	[redacted]
Property Held for Future Use		
Plant Under Construction	[redacted]	
Plant Adj., Nonop. Plant & Goodwill		
Less Accumulated Depreciation	[redacted]	[redacted]
Net Plant (18 thru 21 less 22)	[redacted]	[redacted]
TOTAL ASSETS (10+17+23)	[redacted]	[redacted]

LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT LIABILITIES	[redacted]	[redacted]
25. Accounts Payable	[redacted]	[redacted]
26. Notes Payable		
27. Advance Billings and Payments	[redacted]	[redacted]
28. Customer Deposits	[redacted]	[redacted]
29. Current Mat. L/T Debt	[redacted]	[redacted]
30. Current Mat. L/T Debt-Rur. Dev.		
31. Current Mat.-Capital Leases		
32. Income Taxes Accrued		
33. Other Taxes Accrued		
34. Other Current Liabilities	[redacted]	[redacted]
35. Total Current Liabilities (25 thru 34)	[redacted]	[redacted]
LONG-TERM DEBT	[redacted]	[redacted]
36. Funded Debt-RUS Notes	[redacted]	[redacted]
37. Funded Debt-RTB Notes	[redacted]	[redacted]
38. Funded Debt-FFB Notes		
39. Funded Debt-Other		
40. Funded Debt-Rural Develop. Loan		
41. Premium (Discount) on L/T Debt		
42. Reacquired Debt		
43. Obligations Under Capital Lease		
44. Adv. From Affiliated Companies		
45. Other Long-Term Debt		
46. Total Long-Term Debt (36 thru 45)	[redacted]	[redacted]
OTHER LIAB. & DEF. CREDITS		
47. Other Long-Term Liabilities		
48. Other Deferred Credits	[redacted]	[redacted]
49. Other Jurisdictional Differences		
50. Total Other Liabilities and Deferred Credits (47 thru 49)	[redacted]	[redacted]
EQUITY	[redacted]	[redacted]
51. Cap. Stock Outstand. & Subscribed	[redacted]	[redacted]
52. Additional Paid-in-Capital	[redacted]	[redacted]
53. Treasury Stock		
54. Membership and Cap. Certificates		
55. Other Capital		
56. Patronage Capital Credits		
57. Retained Earnings or Margins	[redacted]	[redacted]
58. Total Equity (51 thru 57)	[redacted]	[redacted]
59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	[redacted]	[redacted]

Total Equity = 45.27% % of Total Assets

USDA-RUS	BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	OK0554
INSTRUCTIONS- See RUS Bulletin 1744-2	PERIOD ENDING: December, 2012

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	[redacted]	[redacted]
2. Network Access Services Revenues	[redacted]	[redacted]
3. Long Distance Network Services Revenues	[redacted]	[redacted]
4. Carrier Billing and Collection Revenues	[redacted]	[redacted]
5. Miscellaneous Revenues	[redacted]	[redacted]
6. Uncollectible Revenues	[redacted]	
7. Net Operating Revenues (1 thru 5 less 6)	[redacted]	[redacted]
8. Plant Specific Operations Expense	[redacted]	[redacted]
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	[redacted]	[redacted]
10. Depreciation Expense	[redacted]	[redacted]
11. Amortization Expense	[redacted]	[redacted]
12. Customer Operations Expense	[redacted]	[redacted]
13. Corporate Operations Expense	[redacted]	[redacted]
14. Total Operating Expenses (8 thru 13)	[redacted]	[redacted]
15. Operating Income or Margins (7 less 14)	[redacted]	[redacted]
16. Other Operating Income and Expenses		
17. State and Local Taxes	[redacted]	
18. Federal Income Taxes	[redacted]	
19. Other Taxes	[redacted]	[redacted]
20. Total Operating Taxes (17+18+19)	[redacted]	[redacted]
21. Net Operating Income or Margins (15+16-20)	[redacted]	[redacted]
22. Interest on Funded Debt	[redacted]	[redacted]
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction	[redacted]	
26. Total Fixed Charges (22+23+24-25)	[redacted]	[redacted]
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	[redacted]	[redacted]
31. Total Net Income or Margins (21+27+28+29+30-26)	[redacted]	[redacted]
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	[redacted]	[redacted]
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		[redacted]
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	[redacted]	[redacted]
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	[redacted]	[redacted]
44. Annual Debt Service Payments	[redacted]	[redacted]
45. Cash Ratio [(14+20-10-11) / 7]	[redacted]	[redacted]
46. Operating Accrual Ratio [(14+20+26) / 7]	[redacted]	[redacted]
47. TIER [(31+26) / 26]	[redacted]	[redacted]
48. DSCR [(31+26+10+11) / 44]	[redacted]	[redacted]

REDACTED - FOR PUBLIC INSPECTION

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

OK0554

PERIOD ENDED

December, 2012

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Valliant	[redacted]						
Rufe							
Millerton							
MobileWireless					[redacted]		
Route Mileage Outside Exchange Area						[redacted]	
Total			[redacted]				
No. Exchanges	[redacted]						

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

OK0554

PERIOD ENDED

December, 2012

Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

			Details on Least Expensive Broadband Service					
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Valliant	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	StandAlone	DSL
Rufe	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	StandAlone	DSL
Millerton	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	StandAlone	DSL
Total	[redacted]	[redacted]						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION OK0554
	PERIOD ENDING December, 2012
INSTRUCTIONS- See RUS Bulletin 1744-2	

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

PART E. TOLL DATA

1. Study Area ID Code(s)

a. ____
b. ____
c. ____
d. ____
e. ____
f. ____
g. ____
h. ____
i. ____
j. ____

2. Types of Toll Settlements (Check one)

Interstate:	☐ Average Schedule	☒ Cost Basis
Intrastate:	☐ Average Schedule	☒ Cost Basis

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	[redacted]
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	[redacted]

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
(a)	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development	[redacted]		[redacted]		

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PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one) ☐ YES ☒ NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	[redacted]
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	[redacted]
5. Land and support assets - Buildings	
6. Land and support assets - Furniture and Office equipment	
7. Land and support assets - General purpose computers	
8. Central Office Switching - Digital	
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	[redacted]
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	[redacted]
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	[redacted]
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

REDACTED - FOR PUBLIC INSPECTION

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INSTRUCTIONS – See help in the online application.	PERIOD ENDED December, 2012

PART I – STATEMENT OF CASH FLOWS

1.	**Beginning Cash (Cash and Equivalents plus RUS Construction Fund)**	[redacted]
	CASH FLOWS FROM OPERATING ACTIVITIES	
2.	**Net Income**	[redacted]
	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3.	Add: Depreciation	[redacted]
4.	Add: Amortization	
5.	Other (Explain) Other reconciling items	
	Changes in Operating Assets and Liabilities	
6.	Decrease/(Increase) in Accounts Receivable	[redacted]
7.	Decrease/(Increase) in Materials and Inventory	
8.	Decrease/(Increase) in Prepayments and Deferred Charges	
9.	Decrease/(Increase) in Other Current Assets	
10.	Increase/(Decrease) in Accounts Payable	
11.	Increase/(Decrease) in Advance Billings & Payments	
12.	Increase/(Decrease) in Other Current Liabilities	
13.	**Net Cash Provided/(Used) by Operations**	
	CASH FLOWS FROM FINANCING ACTIVITIES	
14.	Decrease/(Increase) in Notes Receivable	[redacted]
15.	Increase/(Decrease) in Notes Payable	
16.	Increase/(Decrease) in Customer Deposits	
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20.	Less: Payment of Dividends	
21.	Less: Patronage Capital Credits Retired	
22.	Other (Explain)	
23.	**Net Cash Provided/(Used) by Financing Activities**	[redacted]
	CASH FLOWS FROM INVESTING ACTIVITIES	
24.	Net Capital Expenditures (Property, Plant & Equipment)	
25.	Other Long-Term Investments	
26.	Other Noncurrent Assets & Jurisdictional Differences	
27.	Other (Explain)	
28.	**Net Cash Provided/(Used) by Investing Activities**	[redacted]
29.	**Net Increase/(Decrease) in Cash**	
30.	**Ending Cash**	

Revision Date 2010